

**TOWN OF GILSUM,
NEW HAMPSHIRE**

ANNUAL FINANCIAL REPORT

**AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2020**

TOWN OF GILSUM, NEW HAMPSHIRE
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INDEPENDENT AUDITOR'S REPORT

To the Members of the Board of Selectmen
Town of Gilsum
Gilsum, New Hampshire

We have audited the accompanying financial statements of the governmental activities, the major fund, and aggregate remaining fund information of the Town of Gilsum as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our unmodified and adverse audit opinions.

Summary of Opinions

| <u>Opinion Unit</u> | <u>Type of Opinion</u> |
|--------------------------------------|------------------------|
| Governmental Activities | Adverse |
| General Fund | Unmodified |
| Aggregate Remaining Fund Information | Unmodified |

Basis for Adverse Opinion on Governmental Activities

As discussed in Note 1-B to the financial statements, management has not recorded the capital assets and related accumulated depreciation in the governmental activities, and accordingly, has not recorded depreciation expense on those assets. Accounting principles generally accepted in the United States of America require that capital assets, be capitalized and depreciated, which would increase the assets, net position, and expenses of the governmental activities. The amount by which this departure would affect the assets, net position, and expenses of the governmental activities is not reasonably determinable.

***Town of Gilsum
Independent Auditor's Report***

As discussed in Note 1-B to the financial statements, management has not recorded the long-term costs of landfill post-closure care in the governmental activities. Accounting principles generally accepted in the United States of America require that those costs be recorded, which would increase the liabilities, decrease the net position, and increase the expenses of the governmental activities. The amount by which this departure would affect the liabilities, net position, and expenses on the governmental activities is not readily determinable.

As discussed in Note 9 to the financial statements, management has not recorded the long-term costs of retirement health care costs and obligations for other postemployment benefits for the single employer plan in the governmental activities. Accounting principles generally accepted in the United States of America require that those costs be recorded, which would increase the liabilities, decrease the net position, and increase the expenses of the governmental activities. The amount by which this departure would affect the liabilities, net position, and expenses on the governmental activities is not readily determinable.

Adverse Opinion

In our opinion, because of the significance of the matters described in the "Basis for Adverse Opinion on Governmental Activities" paragraphs, the financial statements referred to above do not present fairly the financial position of the government-wide financial statements of the Town of Gilsum, as of December 31, 2020, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund and aggregate remaining fund information of the Town of Gilsum as of December 31, 2020, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Management's Discussion and Analysis – Management has omitted a Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by the missing information.

Other Information – Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Gilsum's basic financial statements. The combining and individual fund schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

October 25, 2021

*Plodzik & Sanderson
Professional Association*

BASIC FINANCIAL STATEMENTS

EXHIBIT A
TOWN OF GILSUM, NEW HAMPSHIRE
Statement of Net Position
December 31, 2020

| | <u>Governmental Activities</u> |
|---------------------------|------------------------------------|
| ASSETS | |
| Cash and cash equivalents | \$ 1,339,176 |
| Taxes receivables (net) | 26,192 |
| Prepaid items | 7,108 |
| Total assets | <u>1,372,476</u> |
| LIABILITIES | |
| Accounts payable | 25,134 |
| Other | 3,957 |
| Total liabilities | <u>29,091</u> |
| NET POSITION | |
| Restricted | 51,957 |
| Unrestricted | 1,291,428 |
| Total net position | <u>\$ 1,343,385</u> |

The Notes to the Basic Financial Statements are an integral part of this statement.

EXHIBIT B
TOWN OF GILSUM, NEW HAMPSHIRE
Statement of Activities
For the Fiscal Year Ended December 31, 2020

| | Expenses | Program Revenues | | Net (Expense) Revenue and Change In Net Position |
|--|-------------------|----------------------------|--|---|
| | | Charges for Services | Operating Grants and Contributions | |
| General government | \$ 202,851 | \$ 1,103 | \$ - | \$ (201,748) |
| Public safety | 99,167 | - | 7,853 | (91,314) |
| Highways and streets | 268,987 | - | 32,554 | (236,433) |
| Sanitation | 24,895 | - | - | (24,895) |
| Health | 6,201 | - | - | (6,201) |
| Welfare | 390 | - | - | (390) |
| Culture and recreation | 60,899 | - | - | (60,899) |
| Conservation | 400 | - | - | (400) |
| Total governmental activities | <u>\$ 663,790</u> | <u>\$ 1,103</u> | <u>\$ 40,407</u> | <u>(622,280)</u> |
| General revenues: | | | | |
| Taxes: | | | | |
| Property | | | | 472,087 |
| Other | | | | 12,113 |
| Motor vehicle permit fees | | | | 145,638 |
| Licenses and other fees | | | | 5,961 |
| Grants and contributions not restricted to specific programs | | | | 56,767 |
| Unrestricted investment earnings | | | | 5,952 |
| Miscellaneous | | | | 7,512 |
| Total general revenues | | | | <u>706,030</u> |
| Change in net position | | | | 83,750 |
| Net position, beginning | | | | 1,259,635 |
| Net position, ending | | | | <u>\$ 1,343,385</u> |

The Notes to the Basic Financial Statements are an integral part of this statement.

EXHIBIT C-1
TOWN OF GILSUM, NEW HAMPSHIRE
Governmental Funds
Balance Sheet
December 31, 2020

| | General | Other Governmental Funds | Total Governmental Funds |
|--|---------------------|--------------------------------|--------------------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 533,587 | \$ 62,633 | \$ 596,220 |
| Receivables, net of allowance for uncollectible: | | | |
| Taxes | 86,696 | - | 86,696 |
| Prepaid items | 7,108 | - | 7,108 |
| Restricted assets: | | | |
| Cash and cash equivalents | 742,956 | - | 742,956 |
| Total assets | <u>\$ 1,370,347</u> | <u>\$ 62,633</u> | <u>\$ 1,432,980</u> |
| LIABILITIES | | | |
| Accounts payable | \$ 25,134 | \$ - | \$ 25,134 |
| Other | 3,957 | - | 3,957 |
| Total liabilities | <u>29,091</u> | <u>-</u> | <u>29,091</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Unavailable revenue - Property taxes | 42,854 | - | 42,854 |
| FUND BALANCES | | | |
| Nonspendable | 7,108 | 30,327 | 37,435 |
| Restricted | 21,976 | 21,630 | 43,606 |
| Committed | 720,980 | 10,676 | 731,656 |
| Unassigned | 548,338 | - | 548,338 |
| Total fund balances | <u>1,298,402</u> | <u>62,633</u> | <u>1,361,035</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 1,370,347</u> | <u>\$ 62,633</u> | <u>\$ 1,432,980</u> |

The Notes to the Basic Financial Statements are an integral part of this statement.

EXHIBIT C-2
TOWN OF GILSUM, NEW HAMPSHIRE
Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Position
December 31, 2020

Amounts reported for governmental activities in the Statement of Net
 Position are different because:

| | | |
|---|-----------------|----------------------------|
| Total fund balances of governmental funds (Exhibit C-1) | | \$ 1,361,035 |
| Property taxes not collected within 60 days of fiscal year-end are not available to pay for current period expenditures, and therefore are deferred in the governmental funds. | | |
| Deferred property taxes | \$ 42,854 | |
| Allowance for uncollectible taxes | <u>(60,504)</u> | |
| | | <u>(17,650)</u> |
| Net position of governmental activities (Exhibit A) | | <u><u>\$ 1,343,385</u></u> |

The Notes to the Basic Financial Statements are an integral part of this statement.

EXHIBIT C-3
TOWN OF GILSUM, NEW HAMPSHIRE
Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended December 31, 2020

| | General | Other Governmental Funds | Total Governmental Funds |
|---------------------------------------|---------------------|--------------------------------|--------------------------------|
| REVENUES | | | |
| Taxes | \$ 475,437 | \$ - | \$ 475,437 |
| Licenses and permits | 151,599 | - | 151,599 |
| Intergovernmental | 97,174 | - | 97,174 |
| Charges for services | 1,103 | - | 1,103 |
| Miscellaneous | 11,923 | 1,541 | 13,464 |
| Total revenues | <u>737,236</u> | <u>1,541</u> | <u>738,777</u> |
| EXPENDITURES | | | |
| Current: | | | |
| General government | 202,851 | - | 202,851 |
| Public safety | 99,167 | - | 99,167 |
| Highways and streets | 145,337 | - | 145,337 |
| Sanitation | 24,895 | - | 24,895 |
| Health | 6,201 | - | 6,201 |
| Welfare | 390 | - | 390 |
| Culture and recreation | 58,399 | - | 58,399 |
| Conservation | 400 | - | 400 |
| Capital outlay | 126,150 | - | 126,150 |
| Total expenditures | <u>663,790</u> | <u>-</u> | <u>663,790</u> |
| Excess of revenues over expenditures | <u>73,446</u> | <u>1,541</u> | <u>74,987</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | 5,518 | - | 5,518 |
| Transfers out | - | (5,518) | (5,518) |
| Total other financing sources (uses) | <u>5,518</u> | <u>(5,518)</u> | <u>-</u> |
| Net change in fund balances | 78,964 | (3,977) | 74,987 |
| Fund balances, beginning | 1,219,438 | 66,610 | 1,286,048 |
| Fund balances, ending | <u>\$ 1,298,402</u> | <u>\$ 62,633</u> | <u>\$ 1,361,035</u> |

The Notes to the Basic Financial Statements are an integral part of this statement.

EXHIBIT C-4
TOWN OF GILSUM, NEW HAMPSHIRE
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances - Governmental Funds to the Statement of Activities
For the Fiscal Year Ended December 31, 2020

| | | |
|--|---------------|-------------------------|
| Amounts reported for governmental activities in the Statement of Activities are different because: | | |
| Net change in fund balances of governmental funds (Exhibit C-3) | | \$ 74,987 |
| Transfers in and out between governmental funds are eliminated on the Statement of Activities. | | |
| Transfers in | \$ (5,518) | |
| Transfers out | <u>5,518</u> | |
| Revenue in the Statement of Activities that does not provide current financial resources is not reported as revenue in the governmental funds. | | |
| Change in deferred tax revenue | \$ (4,236) | |
| Change in allowance for uncollectible taxes | <u>12,999</u> | |
| | | <u>8,763</u> |
| Changes in net position of governmental activities (Exhibit B) | | <u><u>\$ 83,750</u></u> |

EXHIBIT D
TOWN OF GILSUM, NEW HAMPSHIRE
Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual (Non-GAAP Budgetary Basis)
General Fund
For the Fiscal Year Ended December 31, 2020

| | Budgeted Amounts | | Actual | Variance Positive (Negative) |
|--|--------------------|--------------------|-------------------|------------------------------------|
| | Original | Final | | |
| REVENUES | | | | |
| Taxes | \$ 486,485 | \$ 486,485 | \$ 484,200 | \$ (2,285) |
| Licenses and permits | 150,500 | 150,500 | 151,599 | 1,099 |
| Intergovernmental | 88,985 | 88,985 | 97,174 | 8,189 |
| Charges for services | 1,500 | 1,500 | 1,103 | (397) |
| Miscellaneous | 2,000 | 2,000 | 5,063 | 3,063 |
| Total revenues | <u>729,470</u> | <u>729,470</u> | <u>739,139</u> | <u>9,669</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| General government | 246,749 | 246,749 | 202,851 | 43,898 |
| Public safety | 90,363 | 90,363 | 99,167 | (8,804) |
| Highways and streets | 238,622 | 238,622 | 145,337 | 93,285 |
| Sanitation | 29,599 | 29,599 | 24,895 | 4,704 |
| Health | 6,201 | 6,201 | 6,201 | - |
| Welfare | 4,000 | 4,000 | 390 | 3,610 |
| Culture and recreation | 45,269 | 45,269 | 16,399 | 28,870 |
| Conservation | 625 | 625 | 400 | 225 |
| Debt service: | | | | |
| Interest | 1,000 | 1,000 | - | 1,000 |
| Capital outlay | 90,000 | 135,000 | 126,150 | 8,850 |
| Total expenditures | <u>752,428</u> | <u>797,428</u> | <u>621,790</u> | <u>175,638</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(22,958)</u> | <u>(67,958)</u> | <u>117,349</u> | <u>185,307</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 80,518 | 125,518 | 130,618 | 5,100 |
| Transfers out | (107,560) | (107,560) | (107,560) | - |
| Total other financing sources (uses) | <u>(27,042)</u> | <u>17,958</u> | <u>23,058</u> | <u>5,100</u> |
| Net change in fund balances | <u>\$ (50,000)</u> | <u>\$ (50,000)</u> | 140,407 | <u>\$ 190,407</u> |
| Increase in nonspendable fund balance | | | (7,108) | |
| Unassigned fund balance, beginning | | | 397,389 | |
| Unassigned fund balance, ending | | | <u>\$ 530,688</u> | |

The Notes to the Basic Financial Statements are an integral part of this statement.

EXHIBIT E-1
TOWN OF GILSUM, NEW HAMPSHIRE
Fiduciary Funds
Statement of Fiduciary Net Position
December 31, 2020

| | Private Purpose Trust Funds | All Custodial Funds |
|-----------------------------|-----------------------------------|---------------------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 83,340 | \$ - |
| Taxes receivable | - | 533,231 |
| Total assets | 83,340 | 533,231 |
| LIABILITIES | | |
| Intergovernmental payables: | | |
| School | - | 533,231 |
| NET POSITION | | |
| Restricted | \$ 83,340 | \$ - |

The Notes to the Basic Financial Statements are an integral part of this statement.

EXHIBIT E-2
TOWN OF GILSUM, NEW HAMPSHIRE
Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended December 31, 2020

| | Private Purpose Trust Funds | All Custodial Funds |
|--|-----------------------------------|---------------------------|
| ADDITIONS | | |
| Investment earnings | \$ 419 | - |
| Tax collections for other governments | - | 1,355,064 |
| Total additions | <u>419</u> | <u>1,355,064</u> |
| DEDUCTIONS | | |
| Payments of taxes to other governments | - | 1,355,064 |
| Change in net position | 419 | - |
| Net position, beginning | 82,921 | - |
| Net position, ending | <u>\$ 83,340</u> | <u>\$ -</u> |

The Notes to the Basic Financial Statements are an integral part of this statement.

TOWN OF GILSUM, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2020

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DETAILED NOTES ON ALL FUNDS

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TOWN OF GILSUM, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Gilsum, New Hampshire (the Town), have been prepared in conformity with U.S. Generally Accepted Accounting Principles (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and other authoritative sources.

The more significant of the Town’s accounting policies are described below.

1-A Reporting Entity

The Town of Gilsum is a municipal corporation governed by an elected three-member Board of Selectmen. In evaluating how to define the Town for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth by the GASB. The Town has no component units to include in its reporting entity.

1-B Basis of Accounting and Measurement Focus

The accounts of the Town are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Government-wide Financial Statements – The Town’s government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of governmental activities for the Town accompanied by a total column. Fiduciary activities of the Town are not included in these statements.

These statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all of the Town’s assets, deferred outflows of resources, liabilities, and deferred inflows of resources, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position, with the exception of the capital assets and related accumulated depreciation, which have been omitted because they have not been inventoried at historical cost. In addition, long-term costs of retirement healthcare and obligations for other postemployment benefits of the Town’s single employer plan, and the landfill post-closure care costs have also been omitted because the liability and expense have not been determined. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. As in the Statement of Net Position the Town has not recorded depreciation expense, landfill post-closure care cost, nor other postemployment benefit expense of the Town’s single employer plan in this statement. The types of transactions reported as program revenues for the Town are reported in two categories: 1) charges for services and 2) operating grants and contributions.

Certain eliminations have been made to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated.

Governmental Fund Financial Statements – Include a balance sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances for all major governmental funds and nonmajor funds aggregated. An accompanying statement is presented to reconcile and explain the differences in fund balances and changes in fund balances as presented in these statements to the net position and changes in net position presented in the government-wide financial statements. The Town has presented all major funds that met those qualifications.

Governmental fund financial statements are reported using the *current financial resources* measurement focus and the *modified accrual basis* of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, with the exception of reimbursement-based grants, which use a period of one year. Property taxes, licenses, and permits, intergovernmental revenue, and interest associated with the current fiscal period are all considered to

TOWN OF GILSUM, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2020

be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. All other revenue items are considered to be measurable and available only when cash is received by the government.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

The Town reports the following major governmental fund:

General Fund – is the Town’s primary operating fund. The general fund accounts for all financial resources except those required to be accounted for in another fund. The primary revenue sources include property taxes, State grants and motor vehicle permit fees. The primary expenditures are for general government, public safety, highways and streets, sanitation, culture and recreation, and capital outlay. Under GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, guidance the conservation and expendable trust funds are consolidated in the general fund.

Additionally, the Town reports the following fund types:

Special Revenue Funds – are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Permanent Fund – are held in the custody of the Trustees of Trust Funds and are used to account for resources held in trust for use by the Town. These can include legal trusts for which the interest on the corpus provides funds for the Town’s cemetery operations.

All the governmental funds not meeting the criteria established for major funds are presented in the other governmental column of the fund financial statements. The Town reports two nonmajor governmental funds.

Fiduciary Fund Financial Statements – Include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. The Town’s fiduciary funds are private purpose trust funds, which are custodial in nature. These funds are accounted for on a spending, or “economic resources” measurement focus and the accrual basis of accounting.

The Town reports the following fiduciary fund:

Private Purpose Trust Fund – are used to report trust arrangements, other than pension and investment trusts, under which principal and income benefit individuals, private organizations, or other governments.

1-C Cash and Cash Equivalents

The Town considers all highly liquid investments with an original maturity of three months or less to be cash equivalents. Deposits with financial institutions consist primarily of demand deposits, , and savings accounts.

The treasurer is required to deposit such moneys in solvent banks in state or the Public Deposit Investment Pool pursuant to New Hampshire RSA 383:22. Funds may be deposited in banks outside of the state if such banks pledge and deliver to a third party custodial bank or the Federal Reserve Bank, collateral security for such deposits, United States government or government agency obligations or obligations to the State of New Hampshire in value at least equal to the amount of the deposit in each case.

1-D Restricted Assets

Certain Town assets are classified as restricted assets because their use is restricted by statutory limitation, or they are earmarked for a specific purposes.

1-E Receivables

Receivables recorded in the financial statements represent amounts due to the Town at December 31. They are aggregated into a single accounts receivable (net of allowance for uncollectibles) line for certain funds and aggregated columns. They consist primarily of taxes, billing for charges, and other user fees.

TOWN OF GILSUM, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
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1-F Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The nonspendable fund balance at the governmental fund level is equal to the amount of prepaid items at year-end to indicate that portion of the governmental fund balance that is nonspendable.

1-G Interfund Transfers

Interfund transfers represent flows of assets without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making the transfers and other financing sources in the funds receiving the transfers. In the government-wide financial statements, all interfund transfers between individual governmental funds have been eliminated.

1-H Property Taxes

Property tax billings occur semi-annually and are based on the assessed inventory values as of April 1 of each year in accordance with RSA 76:15-a, *Semi-Annual Collection of Taxes in certain Towns and Cities*. Warrants for the year were issued on May 19, 2020, and November 3, 2020, and due on July 1, 2020, and January 7, 2021. Interest accrues at a rate of 8% on bills outstanding after the due date and 14% on tax liens outstanding. The Town placed a lien on all outstanding taxes from 2019 on July 9, 2020.

In connection with the setting of the tax rate, Town officials with the approval of the Department of Revenue Administration, establish and raise through taxation an amount for tax abatement and refunds, known as overlay. This amount is reported as a reduction in tax revenue and is adjusted by management for any reserve for uncollectable at year-end. The property taxes collected by the Town include taxes levied for the State of New Hampshire, Monadnock Regional School District, and Cheshire County, which are remitted to these entities as required by law.

The Town net assessed valuation as of April 1, 2020, utilized in the setting of the tax rate was as follows:

| | |
|-------------------------------------|---------------|
| For the New Hampshire education tax | \$ 68,753,374 |
| For all other taxes | \$ 71,964,174 |

The tax rates and amounts assessed for the year ended December 31, 2020, were as follows:

| | Per \$1,000 of Assessed Valuation | Property Taxes Assessed |
|------------------------|---|-------------------------------|
| Municipal portion | \$6.84 | \$ 492,098 |
| School portion: | | |
| State of New Hampshire | \$1.85 | 127,381 |
| Local | \$13.60 | 978,764 |
| County portion | \$3.46 | 248,919 |
| Total | \$25.75 | \$1,847,162 |

1-I Accounts Payable

Accounts payable represent the gross amount of expenditures or expenses incurred as a result of normal operations, but for which no actual payment has yet been issued to vendors/providers as of December 31, 2020.

1-J Deferred Inflows of Resources

Deferred inflows of resources, a separate financial statement element, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Although certain revenues are measurable, they are not available. Available means collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not

TOWN OF GILSUM, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
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been recognized since the assets are not collected within the current year or expected to be collected soon enough thereafter to be used to pay liabilities of the current year. Deferred inflows of resources consist of property tax receivable and other receivables not collected within 60 days after year-end.

1-K Postemployment Benefits Other Than Pensions

The Town maintains a single employer plan but has not obtained an actuarial report calculating the other postemployment benefit liability, deferred outflows of resources, and deferred inflows of resources in accordance with Government Accounting Standards Board Statement No. 75.

1-L Net Position/Fund Balances

Government-wide Statements – Equity is classified as net position and displayed in two components:

Restricted net position – Results when constraints placed on net position use are either externally imposed by a third party (statutory, bond covenant, or granting agency) or are imposed by law through constitutional provisions or enabling legislation. The Town typically uses restricted assets first, as appropriate opportunities arise, but reserves the right to selectively defer the use until a further project.

Unrestricted net position – Consists of net position not meeting the definition of the preceding categories. Unrestricted net position is often subject to constraints imposed by management which can be removed or modified.

Fund Balance Classifications – GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, provides more clearly defined fund balance categories to make sure the nature and extent of the constraints placed on a government's fund balances are more transparent. The following classifications describe the relative strength of the spending constraints:

Nonspendable – Amounts that cannot be spent because they are either (a) not in spendable form (such as prepaid items, inventory, or tax deeded property subject to resale); or (b) are legally or contractually required to be maintained intact.

Restricted – Amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

Committed – Amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the legislative body (Town Meeting). These amounts cannot be used for any other purpose unless the legislative body removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

Assigned – Amounts that are constrained by the Town's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Board of Selectmen through the budgetary process.

Unassigned – Amounts that are available for any purpose. Positive amounts are reported only in the general fund.

When multiple net position/fund balance classifications are available for use, it is the government's policy to utilize the most restricted balances first, then the next most restricted balance as needed. When components of unrestricted fund balance are used, committed fund balance is depleted first followed by assigned fund balance. Unassigned fund balance is applied last.

1-M Use of Estimates

The financial statements and related disclosures are prepared in conformity with accounting principles generally accepted in the United States. Management is required to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, the disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the period reported. These estimates include assessing the collectability of accounts, and taxes receivable, among others. Estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from estimates.

TOWN OF GILSUM, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
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NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

2-A Budgetary Information

General governmental revenues and expenditures accounted for in budgetary funds are controlled by a formal integrated budgetary accounting system in accordance with various legal requirements which govern the Town’s operations. At its annual meeting, the Town adopts a budget for the current year for the general fund. Except as reconciled below, the budget was adopted on a basis consistent with U.S. generally accepted accounting principles (GAAP).

Management may transfer appropriations between operating categories as deemed necessary, but expenditures may not legally exceed budgeted appropriations in total. All annual appropriations lapse at year-end unless encumbered.

State statutes require balanced budgets but provide for the use of beginning unassigned fund balance to achieve that end. For the fiscal year 2020, \$50,000 of the beginning general fund unassigned fund balance was applied for this purpose.

2-B Budgetary Reconciliation to GAAP Basis

While the Town reports financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual is presented for the major governmental fund which had a budget. Differences between the budgetary basis and GAAP basis of accounting for the general fund are as follows:

| | |
|---|-------------------|
| Revenues and other financing sources: | |
| Per Exhibit D (budgetary basis) | \$ 869,757 |
| Adjustment: | |
| Basis differences: | |
| GASB Statement No. 54: | |
| To record miscellaneous income of the blended funds | 6,860 |
| To eliminate transfers between blended funds | (125,100) |
| Change in deferred tax revenue relating to 60-day revenue recognition | (8,763) |
| Per Exhibit C-3 (GAAP basis) | <u>\$ 742,754</u> |
| Expenditures and other financing uses: | |
| Per Exhibit D (budgetary basis) | \$ 729,350 |
| Adjustment: | |
| Basis differences: | |
| GASB Statement No. 54: | |
| To record expenditures of the blended funds during the year | 42,000 |
| To eliminate transfers between general and blended funds | (107,560) |
| Per Exhibit C-3 (GAAP basis) | <u>\$ 663,790</u> |

DETAILED NOTES ON ALL FUNDS

NOTE 3 – CASH AND CASH EQUIVALENTS

The Town’s deposits are entirely covered by federal depository insurance (FDIC) or by collateral held by the Town’s agent in the Town’s name. The FDIC currently insures the first \$250,000 of the Town’s deposits at each financial institution, per case custodian. Deposit balances over \$250,000 are insured by the collateral. As of year-end, the carrying amount of the Town’s deposits was \$1,422,516 and the bank balances totaled \$1,449,496.

TOWN OF GILSUM, NEW HAMPSHIRE
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Cash and cash equivalents reconciliation:

| | |
|--|--------------------|
| Cash per Statement of Net Position (Exhibit A) | \$1,339,176 |
| Cash per Statement of Fiduciary Net Position (Exhibit E-1) | 83,340 |
| Total cash and cash equivalents | <u>\$1,422,516</u> |

NOTE 4 – RESTRICTED ASSETS

Cash balances are classified as restricted for the following purposes:

| | |
|----------------------------|-------------------|
| Cash and cash equivalents: | |
| General fund: | |
| Capital reserve funds | \$ 720,980 |
| Conservation | 21,976 |
| Total restricted assets | <u>\$ 742,956</u> |

NOTE 5 – TAXES RECEIVABLE

Taxes receivable represent the amount of current and prior year taxes which have not been collected as of December 31, 2020. The amount has been reduced by an allowance for an estimated uncollectible amount of \$60,504. Taxes receivable by year are as follows:

| | Exhibit A | Exhibit C-1 | Exhibit E-1 |
|---|------------------|------------------|-------------------|
| Property: | | | |
| Levy of 2020 | \$ 2,640 | \$ 2,640 | \$ 533,231 |
| Unredeemed (under tax lien): | | | |
| Levy of 2019 | 37,422 | 37,422 | - |
| Levy of 2018 | 27,044 | 27,044 | - |
| Levies of 2017 and prior | 19,590 | 19,590 | - |
| Less: allowance for estimated uncollectible taxes | (60,504) | - | - |
| Net taxes receivable | <u>\$ 26,192</u> | <u>\$ 86,696</u> | <u>\$ 533,231</u> |

*The allowance for uncollectible property taxes is not recognized under the modified accrual basis of accounting (Exhibit C-1 and C-3) due to the 60-day rule as explained in Note 1-B. However, the allowance is recognized under the full accrual basis of accounting (Exhibits A and B).

NOTE 6 – INTERFUND TRANSFERS

The composition of interfund transfers for the year ended December 31, 2020 is as follows:

| | |
|----------------|-----------------|
| | Transfers In: |
| | General |
| | Fund |
| Transfers out: | |
| Nonmajor fund | <u>\$ 5,518</u> |

During the year, transfers are used to (1) move revenues from the fund with collection authority to the fund responsible for expenditure and (2) move general fund resources to provide an annual subsidy.

NOTE 7 – INTERGOVERNMENTAL PAYABLES

Amounts due to other governments of \$533,231 at December 31, 2020, reported in the fiduciary funds, consists of the balance of the fiscal year 2020 assessment due to the Monadnock Regional School District.

TOWN OF GILSUM, NEW HAMPSHIRE
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NOTE 8 – DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources of \$42,854 at December 31, 2020 consist of deferred property taxes not collected within 60 days of the fiscal year-end.

NOTE 9 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

The Town provides postemployment benefit options for health care to eligible retirees, terminated employees, and their dependents in accordance with the provisions of various employment contracts. The benefit levels, employee contributions, and employer contributions are governed by the Town’s contractual agreements. Expenses for the cost of providing health insurance for currently enrolled retirees are recognized in the general fund of the funds financial statements as payments are made.

The Governmental Accounting Standards Board (GASB) issued Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* in 2015. GASB Statement No. 75 requires state and local government employers to recognize the net OPEB liability and the OPEB expense on their financial statements, along with the related deferred outflows and inflows of resources. The Town has not fully implemented GASB Statement No. 75 at December 31, 2020, or contracted with an actuarial firm to assist in evaluating the impact of this standard on the Town’s single employer plan. The amounts that should be recorded as the net OPEB liability and the OPEB expense for the Town’s single employer plan are unknown.

NOTE 10 – GOVERNMENTAL ACTIVITIES AND FIDUCIARY FUNDS NET POSITION

Net position reported on the government-wide and fiduciary funds Statements of Net Position at December 31, 2020 include the following:

| | <u>Government-wide Financial Statements</u> | |
|--|---|----------------------------|
| | <u>Governmental Activities</u> | <u>Fiduciary Funds</u> |
| Restricted net position: | | |
| Perpetual care - nonexpendable | \$ 30,327 | \$ - |
| Perpetual care - expendable | 21,630 | - |
| Individuals, organizations and other governments | - | 83,340 |
| Total restricted net position | <u>51,957</u> | <u>83,340</u> |
| Unrestricted | 1,291,428 | - |
| Total net position | <u>\$ 1,343,385</u> | <u>\$ 83,340</u> |

NOTE 11 – GOVERNMENTAL FUND BALANCES

Governmental fund balances reported on the fund financial statements at December 31, 2020 include the following:

| | <u>General Fund</u> | <u>Nonmajor Funds</u> | <u>Total Governmental Funds</u> |
|------------------------------------|-------------------------|---------------------------|---|
| Nonspendable: | | | |
| Prepaid items | \$ 7,108 | \$ - | \$ 7,108 |
| Permanent fund - principal balance | - | 30,327 | 30,327 |
| Total nonspendable fund balance | <u>7,108</u> | <u>30,327</u> | <u>37,435</u> |
| Restricted: | | | |
| Conservation | 21,976 | - | 21,976 |
| Permanent - income balance | - | 21,630 | 21,630 |
| Total restricted fund balance | <u>21,976</u> | <u>21,630</u> | <u>43,606</u> |

(Continued)

TOWN OF GILSUM, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
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Governmental fund balances continued:

| | General Fund | Nonmajor Funds | Governmental Funds |
|----------------------------------|-----------------|-------------------|-----------------------|
| Committed: | | | |
| Expendable trusts | 720,980 | - | 720,980 |
| Recreation | - | 10,676 | 10,676 |
| Total committed fund balance | 720,980 | 10,676 | 731,656 |
| Unassigned | 548,338 | - | 548,338 |
| Total governmental fund balances | \$ 1,298,402 | \$ 62,633 | \$ 1,361,035 |

NOTE 12 – RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or natural disasters. During fiscal year 2020, the Town was a member of the New Hampshire Public Risk Management Exchange (Primex³) Workers' Compensation and Property/Liability Programs.

The New Hampshire Public Risk Management Exchange (Primex³) Workers' Compensation and Property/Liability Programs are pooled risk management programs under RSAs 5-B and 281-A. Coverage was provided from January 1, 2020, to December 31, 2020, by Primex³, which retained \$1,000,000 of each workers' compensation loss, \$500,000 of each liability loss, and \$200,000 of each property loss. The Board has decided to self-insure the aggregate exposure and has allocated funds based on actuarial analysis for that purpose. The workers' compensation section of the self-insurance membership agreement permits Primex³ to make additional assessments to members should there be a deficiency in contributions for any member year, not to exceed the member's annual contribution. GASB Statement No. 10 requires members of a pool with a sharing risk to disclose if such an assessment is probable, and a reasonable estimate of the amount, if any. In 2020 the Town paid \$13,831 and \$4,830 respectively, to Primex for property, liability, and worker's compensation. At this time, Primex³ foresees no likelihood of any additional assessment for this or any prior year.

The Town continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

NOTE 13 – CONTINGENT LIABILITIES

The Town participates in various federal grant programs, the principal of which are subject to program compliance audits pursuant to the Single Audit Act as amended. Accordingly, the government's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the government anticipates such amounts, if any, will be immaterial.

NOTE 14 – COVID-19

As a result of the spread of COVID-19, Coronavirus, economic uncertainties continue. The duration of these uncertainties and the ultimate financial effects cannot be reasonably estimated at this time.

On March 27, 2020, the United States Federal Government established the Coronavirus Aid, Relief and Economic Security (CARES) Act in response to the economic downfall caused by the COVID-19 pandemic. This Act requires that the payment from these funds be used only to cover expenses that; are necessary expenditures incurred due to the public health emergency with respect to COVID-19; were not accounted for in the budget approved for 2020; and were incurred during the period that begins on March 1, 2020, and ends on December 31, 2020. The Town was awarded a portion of this federal funding totaling \$8,189. In addition to funding from the CARES Act, there are several other federal and state grants available.

The full extent of the financial impact cannot be determined as of the date of the financial statements.

TOWN OF GILSUM, NEW HAMPSHIRE
NOTES TO THE BASIC FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED
DECEMBER 31, 2020

NOTE 15 – TAX ABATEMENTS

Governmental Accounting Standards Board Statement No. 77, *Tax Abatement Disclosures*, defines tax abatements as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

The Town had no such agreements.

NOTE 16 – SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the balance sheet date, but before the financial statements are issued. Recognized subsequent events are events or transactions that provided additional evidence about conditions that existed at the balance sheet date, including the estimates inherent in the process of preparing the financial statements. Nonrecognized subsequent events are events that provide evidence about conditions that did not exist at the balance sheet date, but arose after the date. Management has evaluated subsequent events through October 25, 2021, the date the December 31, 2020 financial statements were available to be issued, and the following occurred that requires recognition or disclosure.:

At the 2021 Annual Meeting the voters of the Town of Gilsum approved the issuance of bonds or notes for a total of \$567,127 for constructing and installing facilities and equipment to make available throughout the Town a 1 Gigabit “Fiber to the Premises.” Fiber Optic Broadband Network by Consolidated Communications Enterprise Services. Additionally, the use of 2020 unassigned fund balance of \$60,000 was approved to be added to an existing capital reserve fund.

COMBINING AND INDIVIDUAL FUND SCHEDULES

SCHEDULE 1
TOWN OF GILSUM, NEW HAMPSHIRE
Major General Fund
Schedule of Estimated and Actual Revenues (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2020

| | Estimated | Actual | Variance Positive (Negative) |
|--|-------------------|-------------------|------------------------------------|
| Taxes: | | | |
| Property | \$ 474,285 | \$ 472,087 | \$ (2,198) |
| Excavation | 200 | - | (200) |
| Interest and penalties on taxes | 12,000 | 12,113 | 113 |
| Total from taxes | <u>486,485</u> | <u>484,200</u> | <u>(2,285)</u> |
| Licenses, permits, and fees: | | | |
| Business licenses, permits, and fees | 200 | 375 | 175 |
| Motor vehicle permit fees | 145,000 | 145,638 | 638 |
| Building permits | 3,700 | 3,693 | (7) |
| Other | 1,600 | 1,893 | 293 |
| Total from licenses, permits, and fees | <u>150,500</u> | <u>151,599</u> | <u>1,099</u> |
| Intergovernmental: | | | |
| State: | | | |
| Shared revenues | 14,633 | 14,633 | - |
| Meals and rooms distribution | 41,798 | 41,798 | - |
| Highway block grant | 32,554 | 32,554 | - |
| Federal: | | | |
| Other | - | 8,189 | 8,189 |
| Total from intergovernmental | <u>88,985</u> | <u>97,174</u> | <u>8,189</u> |
| Charges for services: | | | |
| Income from departments | <u>1,500</u> | <u>1,103</u> | <u>(397)</u> |
| Miscellaneous: | | | |
| Interest on investments | 2,000 | 1,902 | (98) |
| Other | - | 3,161 | 3,161 |
| Total from miscellaneous | <u>2,000</u> | <u>5,063</u> | <u>3,063</u> |
| Other financing sources: | | | |
| Transfers in | <u>125,518</u> | <u>130,618</u> | <u>5,100</u> |
| Total revenues and other financing sources | 854,988 | <u>\$ 869,757</u> | <u>\$ 14,769</u> |
| Unassigned fund balance used to reduce tax rate | 50,000 | | |
| Total revenues, other financing sources, and use of fund balance | <u>\$ 904,988</u> | | |

SCHEDULE 2
TOWN OF GILSUM, NEW HAMPSHIRE
Major General Fund
Schedule of Appropriations and Expenditures (Non-GAAP Budgetary Basis)
For the Fiscal Year Ended December 31, 2020

| | Appropriations | Expenditures | Variance Positive (Negative) |
|---|-------------------|-------------------|------------------------------------|
| Current: | | | |
| General government: | | | |
| Executive | \$ 48,032 | \$ 39,832 | \$ 8,200 |
| Election and registration | 29,306 | 27,132 | 2,174 |
| Financial administration | 15,877 | 14,985 | 892 |
| Revaluation of property | 8,364 | 8,364 | - |
| Legal | 5,000 | 352 | 4,648 |
| Personnel administration | 88,033 | 73,728 | 14,305 |
| Planning and zoning | 1,692 | 1,201 | 491 |
| General government buildings | 21,800 | 15,317 | 6,483 |
| Cemeteries | 9,600 | 10,003 | (403) |
| Insurance, not otherwise allocated | 19,045 | 11,937 | 7,108 |
| Total general government | <u>246,749</u> | <u>202,851</u> | <u>43,898</u> |
| Public safety: | | | |
| Police | 42,433 | 41,705 | 728 |
| Ambulance | 11,000 | 10,434 | 566 |
| Fire | 35,930 | 43,335 | (7,405) |
| Building inspection | 1,000 | 3,693 | (2,693) |
| Total public safety | <u>90,363</u> | <u>99,167</u> | <u>(8,804)</u> |
| Highways and streets: | | | |
| Administration | 102,000 | 86,117 | 15,883 |
| Highways and streets | 134,122 | 57,129 | 76,993 |
| Street lighting | 2,500 | 2,091 | 409 |
| Total highways and streets | <u>238,622</u> | <u>145,337</u> | <u>93,285</u> |
| Sanitation: | | | |
| Administration | 8,599 | 3,895 | 4,704 |
| Solid waste disposal | 21,000 | 21,000 | - |
| Total sanitation | <u>29,599</u> | <u>24,895</u> | <u>4,704</u> |
| Health: | | | |
| Health agencies | 6,201 | 6,201 | - |
| Welfare: | | | |
| Administration and direct assistance | 4,000 | 390 | 3,610 |
| Culture and recreation: | | | |
| Parks and recreation | 10,000 | 539 | 9,461 |
| Library | 16,719 | 10,399 | 6,320 |
| Patriotic purposes | 550 | 119 | 431 |
| Other | 18,000 | 5,342 | 12,658 |
| Total culture and recreation | <u>45,269</u> | <u>16,399</u> | <u>28,870</u> |
| Conservation | 625 | 400 | 225 |
| Debt service: | | | |
| Interest on tax anticipation notes | 1,000 | - | 1,000 |
| Capital outlay | 135,000 | 126,150 | 8,850 |
| Other financing uses: | | | |
| Transfers out | 107,560 | 107,560 | - |
| Total appropriations, expenditures, and other financing uses | <u>\$ 904,988</u> | <u>\$ 729,350</u> | <u>\$ 175,638</u> |

SCHEDULE 3
TOWN OF GILSUM, NEW HAMPSHIRE
Major General Fund
Schedule of Changes in Unassigned Fund Balance
For the Fiscal Year Ended December 31, 2020

| | | |
|--|----------------|--------------------------|
| Unassigned fund balance, beginning (Non-GAAP Budgetary Basis) | | \$ 397,389 |
| Changes: | | |
| Unassigned fund balance used to reduce 2020 tax rate | | (50,000) |
| 2020 Budget summary: | | |
| Revenue surplus (Schedule 1) | \$ 14,769 | |
| Unexpended balance of appropriations (Schedule 2) | <u>175,638</u> | |
| 2020 Budget surplus | | 190,407 |
| Increase in nonspendable fund balance | | <u>(7,108)</u> |
| Unassigned fund balance, ending (Non-GAAP Budgetary Basis) | | 530,688 |
| Reconciliation on Non-GAAP Budgetary Basis to GAAP Basis | | |
| To record deferred property taxes not collected within 60 days of the fiscal year-end, not recognized on a budgetary basis | | (42,854) |
| Elimination of the allowance for uncollectible taxes | | <u>60,504</u> |
| Unassigned fund balance, ending, GAAP basis (Exhibit C-1) | | <u><u>\$ 548,338</u></u> |

SCHEDULE 4
TOWN OF GILSUM, NEW HAMPSHIRE
Nonmajor Governmental Funds
Combining Balance Sheet
December 31, 2020

| | Special Revenue Fund | | Total |
|---------------------------|----------------------------|-------------------|-----------|
| | Recreation Revolving | Permanent Fund | |
| ASSETS | | | |
| Cash and cash equivalents | \$ 10,676 | \$ 51,957 | \$ 62,633 |
| FUND BALANCES | | | |
| Nonspendable | \$ - | \$ 30,327 | \$ 30,327 |
| Restricted | - | 21,630 | 21,630 |
| Committed | 10,676 | - | 10,676 |
| Total fund balances | \$ 10,676 | \$ 51,957 | \$ 62,633 |

SCHEDULE 5
TOWN OF GILSUM, NEW HAMPSHIRE
Nonmajor Governmental Funds
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended December 31, 2020

| | Special Revenue Fund | | Total |
|------------------------------|----------------------------|-------------------|------------------|
| | Recreation Revolving | Permanent Fund | |
| Revenues: | | | |
| Miscellaneous | \$ 1,280 | \$ 261 | \$ 1,541 |
| Other financing uses: | | | |
| Transfers out | (5,518) | - | (5,518) |
| Net change in fund balances | (4,238) | 261 | (3,977) |
| Fund balances, beginning | 14,914 | 51,696 | 66,610 |
| Fund balances, ending | <u>\$ 10,676</u> | <u>\$ 51,957</u> | <u>\$ 62,633</u> |